

SENATE BILL No. 337

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-4-33; IC 6-1.1-4-34.

Synopsis: Property tax appeals. Allows a Lake County taxpayer to appeal a real property assessment determined by the department of local government finance for the 2002 assessment date after the taxpayer receives a statement for the property taxes that are based on the actual assessed value of the property as of that assessment date. Allows the department to renegotiate with its contractor for services related to the appeals.

Effective: Upon passage.

Rogers

January 12, 2004, read first time and referred to Committee on Finance.

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Introduced

Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

SENATE BILL No. 337

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-4-33, AS ADDED BY P.L.235-2003,
2 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 33. (a) This section applies if the department
4 of local government finance entered into a contract under section 32(e)
5 of this chapter before January 1, 2003.

6 (b) Subject to other requirements of this section, the department of
7 local government finance may negotiate an addendum to the contract
8 referred to in subsection (a) to require the contractor to:

9 (1) afford to each taxpayer in the county an opportunity to attend
10 an informal hearing to:

11 (A) discuss the specifics of the taxpayer's reassessment;

12 (B) review the taxpayer's property record card;

13 (C) explain to the taxpayer how the reassessment was
14 determined;

15 (D) provide to the taxpayer information about the statutes,
16 rules, and guidelines that govern the determination of the
17 reassessment;



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- 1 (E) note and consider objections of the taxpayer;
 2 (F) consider all errors alleged by the taxpayer; and
 3 (G) otherwise educate the taxpayer about:
 4 (i) the taxpayer's reassessment;
 5 (ii) the reassessment process; and
 6 (iii) the reassessment appeal process under section 34 of this
 7 chapter; and
 8 (2) represent the department of local government finance in
 9 appeals initiated under section 34 of this chapter.
 10 (c) Following an informal hearing referred to in subsection (b), the
 11 contractor shall:
 12 (1) make a recommendation to the department of local
 13 government finance as to whether a change in the reassessment is
 14 warranted; and
 15 (2) if recommending a change under subdivision (1), provide to
 16 the department a statement of:
 17 (A) how the changed reassessment was determined; and
 18 (B) the amount of the changed reassessment.
 19 (d) To preserve the right to appeal under section 34 of this chapter,
 20 a taxpayer must initiate the informal hearing process by notifying the
 21 department of local government finance or its designee of the
 22 taxpayer's intent to participate in an informal hearing referred to in
 23 subsection (b) not later than forty-five (45) days after the **later of:**
 24 **(1) the date the** department of local government finance gives
 25 notice under section 32(f) of this chapter to taxpayers of the
 26 amount of the reassessment; **or**
 27 **(2) the date the taxpayer receives a statement for the property**
 28 **taxes that are based on the actual assessed value of the**
 29 **property as of the assessment date for 2002.**
 30 (e) The informal hearings referred to in subsection (b) must be
 31 conducted:
 32 (1) in the county where the property is located; and
 33 (2) in a manner determined by the department of local
 34 government finance.
 35 (f) The department of local government finance shall:
 36 (1) consider the recommendation of the contractor under
 37 subsection (c); and
 38 (2) if the department accepts a recommendation that a change in
 39 the reassessment is warranted, accept or modify the recommended
 40 amount of the changed reassessment.
 41 (g) The department of local government finance shall send a notice
 42 of the result of each informal hearing to:

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- (1) the taxpayer;
- (2) the county auditor;
- (3) the county assessor; and
- (4) the township assessor of the township in which the property is located.

(h) A notice under subsection (g) must:

- (1) state whether the reassessment was changed as a result of the informal hearing; and
- (2) if the reassessment was changed as a result of the informal hearing:
 - (A) indicate the amount of the changed reassessment; and
 - (B) provide information on the taxpayer's right to appeal under section 34 of this chapter.

(i) If the department of local government finance does not send a notice under subsection (g) not later than two hundred seventy (270) days after the date the department gives notice of the amount of the reassessment under section 32(f) of this chapter:

- (1) the department may not change the amount of the reassessment under the informal hearing process described in this section; and
- (2) the taxpayer may appeal the reassessment under section 34 of this chapter.

(j) The department of local government finance may adopt emergency rules to establish procedures for informal hearings under this section.

(k) Payment for an addendum to a contract under subsection (a):

- (1) is made in the same manner as payment for the contract under section 32(e) of this chapter; and
- (2) is not subject to the maximum compensation under section 32(h) of this chapter.

(l) This section expires December 31, 2005.

SECTION 2. IC 6-1.1-4-34, AS ADDED BY P.L.235-2003, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 34. (a) As used in this section, "special master" refers to a person designated by the Indiana board under subsection (e).

(b) The notice of reassessment under section 32(f) of this chapter is subject to appeal by the taxpayer to the Indiana board. The procedures and time limitations that apply to an appeal to the Indiana board of a determination of the department of local government finance do not apply to an appeal under this subsection. The Indiana board may establish applicable procedures and time limitations under subsection

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(l).

(c) In order to appeal under subsection (b), the taxpayer must:

(1) request and participate as required in the informal hearing process under section 33 of this chapter not later than forty-five (45) days after **the later of:**

(A) the date of the notice of reassessment under section 32(f) of this chapter; **or**

(B) the date the taxpayer receives a statement for the property taxes that are based on the actual assessed value of the property as of the assessment date for 2002;

(2) except as provided in section 33(i) of this chapter, receive a notice of changed reassessment under section 33(g) of this chapter; and

(3) file a petition for review with the appropriate county assessor not later than thirty (30) days after the notice of the department of local government finance is given to the taxpayer under section ~~32(f)~~ **33(g)** of this chapter.

(d) The Indiana board may develop a form for petitions under subsection (c) that:

(1) outlines:

(A) the appeal process;

(B) the burden of proof; and

(C) evidence necessary to warrant a change to a reassessment; and

(2) describes:

(A) the increase in the property tax replacement credit; and

(B) other changes to the property tax system;

under P.L.192-2002(ss) that reduced the effect of general reassessment on property tax liability.

(e) The Indiana board may contract with, appoint, or otherwise designate the following to serve as special masters to conduct evidentiary hearings and prepare reports required under subsection (g):

(1) Independent, licensed appraisers.

(2) Attorneys.

(3) Certified level two Indiana assessor-appraisers (including administrative law judges employed by the Indiana board).

(4) Other qualified individuals.

(f) Each contract entered into under subsection (e) must specify the appointee's compensation and entitlement to reimbursement for expenses. The compensation and reimbursement for expenses are paid from the county property reassessment fund. Payments under this subsection from the county property reassessment fund may not exceed

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1 five hundred thousand dollars (\$500,000).

2 (g) With respect to each petition for review filed under subsection
3 (c), the special masters shall:

4 (1) set a hearing date;

5 (2) give notice of the hearing at least thirty (30) days before the
6 hearing date, by mail, to:

7 (A) the taxpayer;

8 (B) the department of local government finance;

9 (C) the township assessor; and

10 (D) the county assessor;

11 (3) conduct a hearing and hear all evidence submitted under this
12 section; and

13 (4) make evidentiary findings and file a report with the Indiana
14 board.

15 (h) At the hearing under subsection (g):

16 (1) the taxpayer shall present:

17 (A) ~~its~~ **the taxpayer's** evidence that the reassessment is
18 incorrect;

19 (B) the method by which the taxpayer contends the
20 reassessment is correctly determined; and

21 (C) comparable sales, appraisals, or other pertinent
22 information concerning valuation as required by the Indiana
23 board; and

24 (2) the department of local government finance shall present its
25 evidence that the reassessment is correct.

26 (i) The Indiana board may dismiss a petition for review filed under
27 subsection (c) if the evidence and other information required under
28 subsection (h)(1) is not provided at the hearing under subsection (g).

29 (j) The township assessor and the county assessor may attend and
30 participate in the hearing under subsection (g).

31 (k) The Indiana board may:

32 (1) consider the report of the special masters under subsection
33 (g)(4);

34 (2) make a final determination based on the findings of the special
35 masters without:

36 (A) conducting a hearing; or

37 (B) any further proceedings; and

38 (3) incorporate the findings of the special masters into the board's
39 findings in resolution of the appeal.

40 (l) The Indiana board may adopt emergency rules under
41 IC 4-22-2-37.1 to:

42 (1) establish procedures to expedite:

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- 1 (A) the conduct of hearings under subsection (g); and
 2 (B) the issuance of determinations of appeals under subsection
 3 (b); and
 4 (2) establish deadlines:
 5 (A) for conducting hearings under subsection (g); and
 6 (B) for issuing determinations of appeals under subsection (b).
 7 (m) A determination by the Indiana board of an appeal under
 8 subsection (b) is subject to appeal to the tax court under IC 6-1.1-15.
 9 (n) This section expires December 31, 2005.
 10 **SECTION 3. [EFFECTIVE UPON PASSAGE] (a) The department**
 11 **of local government finance may negotiate an addendum to a**
 12 **contract referred to in IC 6-1.1-4-33(a) to require the contractor**
 13 **to perform the functions referred to in IC 6-1.1-4-33(b) with**
 14 **respect to taxpayers that:**
 15 (1) did not, before the effective date of this act, appeal a notice
 16 of reassessment under IC 6-1.1-4-34(c), as in effect before the
 17 amendments made by this act; and
 18 (2) appeal a notice of reassessment under IC 6-1.1-4-34(c), as
 19 amended by this act.
 20 (b) This SECTION expires January 1, 2006.
 21 **SECTION 4. An emergency is declared for this act.**

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